

EXHIBIT U

Tarlo Lyons

Martin Fink Esq
3000 West Olympic Boulevard
Santa Monica
California 90404
U.S.A.

BY POST AND BY FAX NO:001 310 316-4798

TELEPHONE: 0171-814 9423
TELEFAX: 0171-814 9423

Direct Fax No: 0171-814 9423

February 3, 1998

SM/ap

Dear Marty

Re: Regent Entertainment

I am enclosing a re-draft of the Master Agreement and attached Production and Finance Agreement with the amendments underlined. I could not read all of Greg Bernstein's amendments but I have attempted to anticipate what his comments were or might have been and I have taken on board the comments in your memo to me of January 17th. On your memo I would comment as follows.

Master Agreement

- 1(a) Noted.
- 1(b) The approval right will be exercised by you and/or David and/or Beau in a similar fashion to the exercise of your approval rights over projects submitted to you by 7.23 Productions.
- 3(b) Noted.
- 4. Noted.
- 5(d) Agreed.
- 5(e) Agreed.
- 9. I do not see any reason why Flashpoint should not have the right of first refusal as regards remakes and sequels (i.e. the clause reversed).
- 16. Yes, but I require that governing law should be English law.

Exhibit A

2(c)(iv) Noted.

2(c)(v) Noted.

CF-00305

LEX-01 010669

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Tarlo Lyons
Solicitors

- 4(c) I need to check the credits with David.
- 5(d) Noted.
- 7(a) Noted.
- 8(a) Noted.
8. This clause was obscured by the facsimile machine. It should of course conform with the production schedule.
- 10(a) Agreed.
- 10(d)(iv) Greg Bernstein has said that Regent have an Executive Producer's fee equal to 10% of the budget. This needs to be agreed by David and Beau.
- 11(a) Noted.
13. Agreed
- 15(a) Noted.
- 15(b) Noted.
16. I was not aware that we had already agreed to delete this in relation to this transaction. I have deleted the clause but will double check with David and Beau.
18. Noted.
21. Flashpoint remedies here may not be the same as the completion guarantor's remedies, but of course Flashpoint will comply with any remedies granted to the completion guarantor which Flashpoint agrees to. At the moment, I do not see that there is a conflict but perhaps you can elucidate for me.
26. Noted.

Kind regards.

Yours sincerely,


STANLEY MUNSON

cc David Forrest

CF-00306

LEX-01 010670

Tarlo Lyons Solicitors

106/055/00334

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Fax 0171-814 9421
DX 53323 Clerkenwell

Direct Fax No: 0171-814 9423

Our Ref: SM/jap/208556

Date: July 17, 1997

Dear Marty

Re: Flashpoint/7.23 Productions

I am enclosing a re-draft of the Master Agreement and Production and Finance Agreement for each film (being sent by post) but I would like to check one or two points with you as follows. They are in no particular order of importance or order in the agreement.

1. Leslie Richards has said that when the Producer submits a project to Flashpoint (i.e. to you) there will be a period of ten days during which Flashpoint assesses whether or not it wants to proceed with that project. If the project is approved a Production and Finance Agreement will be executed for that film; if it is rejected then there is no obligation on the part of Flashpoint. The relevant clause 1(b) of the Master Agreement states that if Flashpoint fails to respond the Property (project) will be deemed to be rejected. Leslie Richards then wanted Flashpoint to state its reasons for rejection, which may be completely whimsical. David Forrest has said that this is illogical because if Flashpoint does not respond then it will not respond by giving its reasons for rejection. I do not necessarily agree and I am trying to accommodate her point. If Flashpoint rejects a project can we agree that it will state its reasons in writing at some point after the ten day period has expired? The reasons may be completely unreasonable but that is not the issue here.
2. As regards the working of the production bank account, it is proposed that the money to cover the cost of production will be held in my firm's client account and then released in tranches according to the agreed cash flow schedule for each film. This will be done by wire transfer to the relevant bank in Los Angeles. The account in Los Angeles will be under the control of one signatory for the Producer and one signatory for Flashpoint. In other words, each cheque will require two signatures one from their side and one from our side. Do you see any problem with this?
3. I originally said that when the film was completed, the books had to be looked at by a Chartered Accountant and the cost of production certified by that Chartered Accountant, which is what happens in England. Leslie says that this is expensive and the procedure there is that the completion bond company must approve the production accountant who prepares the statement of the total cost of production of the film. Is this acceptable?

LEX-01 123068

Tarlo Lyons
Solicitors

Page 2
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4. As regards legal fees, David has agreed with you that the budgets for the films will accommodate my firm's legal fees. The agreed maximum amounts are £25,000 for the first film and £10,000 for each of the other five films, i.e. a total of £75,000. Leslie Richards has said that it is not agreed that my fees are paid out of the budget. I believe that there is provision for accommodating Flashpoint's overheads, or an executive producer's fee, and I am asking whether my firm's legal fees are paid out of this item in the budget. What is the position?
5. As regards the delivery items, Leslie Richards has sent a fax to me dated 17th July which was also copied to you. I have heard nothing from Rosenfeld Meyer and Susman with regard to the Sales Agency Agreement and I should like to know as soon as possible what delivery items we need from the Producer.
6. I understand that a fixed fee is being paid to the sales agent. Where is this allowed for? Is it included in the budget or is it a distribution expense which is recouped by Flashpoint later? What is the deal with the sales agent?
7. As regards the costs of advertising materials, is there any provision for such cost in the budget or is this recouped as a distribution expense to the extent that Flashpoint pays for it?

Leslie Richards has indicated that residuals/royalties are payable to the cast, writers and director in accordance with collective bargaining agreements with SAG, Writers Guild, and Directors Guild. Can I please have, as a matter of urgency, copies of the relevant agreements with those guilds and an indication of what residuals/royalties are payable to the various personnel. David is concerned that to the extent that payments are made out of receipts, this affects Flashpoint's recoupment position of 150% of receipts in first position. Generally speaking, it is usual in England to treat these payments as distribution expenses but David would like to know how much is involved.

I look forward to hearing from you.

Yours sincerely,

STANLEY MUNSON

enc

cc David Forrest Esq
Beau Rogers Esq

Tarlo Lyons Solicitors

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Fax: 0171-814 9423
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Godfrey - Males

David G. Rouse	Paul Wilson
Michael Rose	Michael A. Brindley
Eva E. Schwartz	Stanley Munson
Mervyn Minter	Richard J. Guthrie
Philip Darnley	Charles Jennings
Robert L. Males	Tim Southern
Neil A. McEwen	John Marshall
Lawrence Phillips	Douglas J. Smith
Michael J. Arnold	Robert A. Carline
Alan Barker	Warren C. Fox

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FAX TRANSMISSION

To:	Marty Fink COMPLETE FILM COMPANY	Fax number:	001 310 315 4768
To:	Richard Mann PROSPERITY PICTURES	Fax number:	001 213 860 7043
To:	Leslie Richards PROSPERITY PICTURES	Fax number:	001 213 860 9758
To:	David Forrest FLASHPOINT LIMITED	Fax number:	0171 930 9316
To:	Beau Rogers FLASHPOINT LIMITED	Fax number:	001 610 642 1917
Ref:		Date:	18 September, 1998
From:	Stanley Munson	Total number of pages:	6
Ref:	SHM/mak	(including this page)	

CF-05950

Subject: Prosperity Pictures - Memorandum of Agreement

Dear All

I am enclosing a draft Memorandum of Agreement upon which I would like your comments.

Both Leslie and Marty have given me some preliminary comments which I believe I have embodied in this draft. Please note that whilst I would like to have the document signed as quickly as possible, before we all forget what our current intentions are, it is not intended to be "written in stone". Insofar as Messrs Lord

Fax

Prosperity Pictures/2

Bissell & Brook advise us to proceed in a certain way, their comments and advice need to be accommodated in the structure.

I look forward to hearing from you.


for STANLEY MUNSON

CF-05260

LEX-01 013792

Geoffrey L. Isaacs
 Derek G. Randel Kevin Barma Finance Director
 D. Michael Rose Peter Wilson Legal G. Barma AC
 Ezra E. Schwartz Michael A. Brandom
 Maurice Martin Stanley Munson
 Philip Diamond Richard J. Gumpole
 Robert L. Hays Charles Jennings
 Nigel A. McEwen John Macnood
 Lawrence Phillips Douglas J. Smith
 Nicholas J. Arnold Warren D. Ford

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Direct Fax No: 0171-814 9423

Date: February 13, 1998

Our Ref: SM/jap/308556

Your Ref:

Dear Marty

Re: MeesPierson

Thank you for your letter of January 27th.

David and I have had meetings with Robbert Aarts and there is a further meeting fixed for 2.30pm on Tuesday February 17th in London.

I have written to Robbert Aarts explaining in detail the exploitation arrangements relating to the 7.23 slate and in particular the recoupment priority as between Flashpoint, Filmwave and 7.23 Productions. I would make the following comments for your input and information:

1. No commission rate has yet been agreed with Robbert Aarts. I do not know what MeesPierson charged in respect of the film "Career Girls" but I am endeavouring to obtain a copy of the Collection Agreement from Simon Channing-Williams. I will report back to you.
2. Would you and Greg Bernstein please consider who as between Flashpoint and Filmwave Pictures has the obligation to collect revenues from the exploitation of the five films in the slate?

I ask the question because David would like to know whether it is your view that the cost of collecting the revenues paid to MeesPierson can be deducted from the sales agent's commission. The logic is, of course, that if the sales agent no longer has the obligation to collect because another party is by agreement performing that obligation then it should give up 1% of its own commission or whatever is paid to MeesPierson. Please let me have your views.

3. Was it the intention that the Deal Memo with Filmwave Pictures would be replaced by a long form agreement with accounting and audit provisions? If so, we need to deal with the documentation and ensure that the companies nominated by MeesPierson are dovetailed into the arrangement.
4. There is an obligation to pay reuse fees and residuals to profit participants under DGA and SAG Rules. At the moment this obligation rests with 7.23 Productions as Flashpoint has not entered into an assumption agreement. I do not know whether

CF-49145

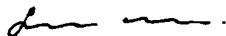
Tarlo Lyons
Solicitors

Page 2

Flashpoint should bear the cost of instructing MeesPierson to make these payments or whether the cost should rest with 7.23 Productions. What do you think?

Kind regards.

Yours sincerely,



STANLEY MUNSON

cc David Forrest Esq
Beau Rogers Esq
Greg Bernstein Esq

CF-49146

07/02/00 17:25

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Tarlo Lyons

Kay F Jaszek → Marty Fink

01/12

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Fax to:

Marty Fink

Fax number:

00 1 310 316 4768

Your ref:Copied to:

Greg Bernstein

00 1 310 271 6430

Jennifer Barrett

0171 930 8316

From: Stanley Munson

Our ref:

SHM/kj/341611
(P, R, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z)

Date: 7 February 2000

Total no. of pages:
(including this page)

Dear Marty

Re: Beautiful

I am returning the Subordination Agreement and Greg's conflict letter signed by me as secretary for Flashpoint (UK) Limited.

I agreed the drafting of the other documents with Greg and you on Friday. Unfortunately, the latest drafts that were sent through to me this morning contained a number of typographical errors which need to be tidied up. I am asking my assistant, Claire Fox, to send back to you ^{Greg} details of the typing errors she has picked up in order that Greg can have the documents retyped. Can you please have the remaining documentation signed when Greg has dealt with this?

With kind regards.

Yours sincerely



Stanley Munson

End

Maurice Martin - Geoffrey Isaacs - D. Michael Rose - Eric Schwab - Philip Demand - Nigel McQueen - Lawrence Phelps
Nick Arnold - Kevin Barrow - Peter Wilson - John Matthews - Michael Brandman - Stanley Munson - Richard Gutteridge - Tim Southern
Simon Messen - Deborah Arncliffe - Douglas Smith - Sarah Collins - Robert Corbino - Warren Post - Simon Stokes
Michael Sinder - George Gardner - Consultant Derek Randall

Authorised and regulated by the Law Society in the conduct of investment business.

CF- 10571

LEX-01 161995

EXHIBIT V

SENT BY: Xerox Telecopier 7020 :13- 5-98 : 16:49 :

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310 315 4768:8 1

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Nicholas J. Arnold

Kate Barrow
Peter C. Wilson
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Barney Munson
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Warren D. Post

Finance Director
Lynn G. Barley

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FAX TRANSMISSION

To: Mr Martin Fink
COMPLETE FILM COMPANY LLC Fax number: 001 310 315 4768

c.c. Mr David Forrest Fax number: 01778 562 992

Ref: Date: 13 May, 1998

From: Stanley Munson Total number of pages: 1

Ref: SHM/mak (including this page)

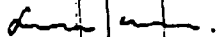
Subject: DRAW DOWNS - "SILENT STORMS", "MONSTERS", "ROMANTIC"

Dear Marty

David and I have signed bank authorities for draw downs on "Silent Storms", 5 through 9, totalling \$298,385 and "Monsters" draw downs, 2 through 4, totalling \$667,818. The payments will be sent by the bank first thing tomorrow morning.

No other payments have been made on these films this week.

Kind regards,


STANLEY MUNSON

CF-53225

LEX-01 028217